

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6169

BILL NUMBER: SB 108

NOTE PREPARED: Nov 20, 2012

BILL AMENDED:

SUBJECT: Motor Vehicle Dealer Training.

FIRST AUTHOR: Sen. Randolph

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Secretary of State to establish a training program for dealers, transfer dealers, and wholesale dealers of motor vehicles that provides instruction upon the initial application for a license. The bill explicitly states that the course must include instruction regarding the duties pertinent to a license authorizing business as a dealer, transfer dealer, or wholesale dealer of motor vehicles.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Secretary of State (SOS):* This bill requires the SOS to develop a training program for motor vehicle dealers. The bill provides that the SOS should work with the appropriate trade associations in developing the training regarding the duties of holding a motor vehicle dealer license. The bill specifies the training must be offered across the state at various intervals throughout the year. It requires that more than one individual affiliated with each motor vehicle dealer applying for a license must be able to attend, but licenses may still be issued even though an individual has not received the training.

This bill will increase the administrative costs of the SOS. There are 6,214 valid motor vehicle dealers, transfer dealers, and wholesalers located throughout the state. The SOS may not have sufficient existing staff and resources to conduct a statewide training course. However, they could potentially administer or oversee a training program that was developed in conjunction with a trade association or a postsecondary education institution with their current resources.

The Auto Dealer Services Division is staffed by 16 individuals with a combined salary of approximately \$550,000. The Auto Dealer Services Division has 9 vacant positions, with 4 having a clerical designation and

5 having a professional designation.

Valid Motor Vehicle Dealers by License Type

License Type	Number of Dealers
Motor Vehicle Auction	38
Motor Vehicle Converter Dealer	31
Motor Vehicle Dealer, New	1,121
Motor Vehicle Dealer, Used	2,504
Motor Vehicle Distributor	46
Motor Vehicle Manufacturer	186
Motor Vehicle Transfer	579
Motor Vehicle Wholesale	1,843
Grand Total	6,348

* Source: SOS: Auto Dealers Service Division as of Nov. 1, 2012

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Secretary of State: Auto Dealers Services Division.

Information Sources: Staffing Report, November 5, 2012; Secretary of State, *List of Valid Indiana Motor Vehicle Dealers*, 11/01/2012; Carol Mihalik 232-6687.

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